



## Administrative Assistant to the Selectmen

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To: Selectmen, Planning Board, Code Enforcement Officer, Assessors, Budget Committee  
From: Stu Marckoon  
Re: Ordinance Fees – Cost Components  
Date: April 21, 2011

As you are aware, the Town Meeting amended several ordinances to require that the fees be set by the Board of Selectmen. A memo prepared on March 23, 2011 shows what the current fees are for the various ordinances, and the Selectmen have signed the amended ordinances which are now on file and posted on the town's website. The Selectmen also voted to keep the previous fees in effect until at least 6/30/11, and they've asked for input from the Planning Board and CEO on devising a new fee structure that better addresses the actual cost to the town for the various items faced. The goal of this memorandum is to offer up what areas of the town budget are impacted by development issues, try to identify how an individual permit meets costs, and offer, as a starting point, suggestions for a revised fee structure.

### **Areas of the town's operation affected by development**

Looking at the town budget, the following areas have either direct or indirect impacts due to issuance of various permits. In parentheses are the costs for each line item in the 2011/12 budget:

#### **Assessing**

- Salaries – Most of what the assessors do is impacted by changes regulated by the permitting process. The salaries for the elected assessors are set by town meeting. I suspect that they are not paid anywhere close to what minimum wage should be. (\$4,350.00)
- Tax Mapping – Nearly every change to the tax maps over a year has to do with a subdivision permit. Property splits are the other major component of the mapping costs. (\$2,500.00)
- Appraisal Costs – Virtually all of the appraisal costs have to do with issuance of a permit. (\$3,200.00)

#### **Administration**

- Administrative Assistant's Salary – A rough estimate is that 20% of my time is spent on issues that involve permit issuance of all types. It might be more, but that cost is difficult to quantify. (20% of salary & benefits = \$10,658)
- Office Machines – The photocopier accounts for roughly 30% of its use on issues surrounding permit issuance, code enforcement and planning. (30% of \$800 = \$240)
- Postage – The amount of postage in the administrative budget used on matters surrounding permit issuance is difficult to determine. There is a postage line in

- the Planning and Appeals Board budget and certified mail is quantified as an expense in the Code Enforcement Budget. (30% of \$2,300 = \$690)
- Heating Fuel, Electricity – The meeting times for the Planning Board, Board of Assessors, and Appeals Board both consume energy, and that is directly related to permit issuance. (we'll estimate 6% of the fully heated/lighted time = \$ 350.00)
  - Office Supplies – As with the photocopier, there is paper, envelopes, and other various supplies used in conjunction with permit issuance. (30% of \$2,650 = \$795.00)
  - Legal – most of the town attorney's utilization as of late has to do with regulated activities, and failure to adhere to them. (50% of \$2,800 = \$1,400.00)
  - Payroll Taxes – The salaries of the assessors, code enforcement officer, and me all require a town match for FICA and Medicare. (7.65% of above salaries = \$1,148.11)
  - Maintenance – Costs for town hall maintenance can partially be attributed to regulated activities. (30% x 2650 = \$795.00)

## **Public Safety**

- Maintenance of Fire Hydrants – this is definitely a cost associated with subdivisions. (\$700.00)
- Ambulance Contract – The town is charged per capita for the ambulance contract, and more development, including more regulated activity leads to more population therefore a higher cost somewhere down the road. (0.7% growth \* 13,950 = \$97.65)
- Dispatching – As with the ambulance contract, the RCC charges per capita for dispatching costs for the fire department. (0.7% growth \* 2,700 = \$18.90)

**Planning Board** – Virtually the entire Planning Board budget is driven by regulated activity costs. (\$800.00)

**Appeals Board** – Ditto with the Board of Appeals (that budget is part of the Planning Board Budget)

**Code Enforcement** – The entire Code Enforcement Budget deals with regulated activities. (\$20,005)

## **Roads**

- Hydrant Plowing – As more fire tanks are installed around town, the cost to plow the hydrants necessarily rises. (\$500.00)
- Culvert Maintenance – Those culverts that enter onto town maintained roads provide a cost to the town to maintain when they become clogged or fail. (\$500.00 estimate, impossible to quantify)
- Other entrance impacts – Brush clearance and ditching around an entrance onto a town road are costs to be born. (\$500.00 estimate, impossible to quantify)

- Addressing – The time for town staff (me) to measure for each residence, to name and map a road for the E-911 system, and to notify all parties involved is a direct result of regulated activities. (\$500.00 estimate, impossible to quantify)
- Street Signs – A newly signed road is a direct result of a subdivision or site plan permit. (\$1,000.00)

**Cable TV** – While not a particular cost to the taxpayer, often a developer will request a copy of the DVD of a planning or appeals board meeting, and there are costs associated with that. (\$200 estimate, impossible to quantify)

Total annual impact of regulated activities based on above: \$50,947.66

The next step is to examine the town activities associated with the above activities. Not all permits affect each cost center equally, and this is by no means a complete list of all activities that take place.

#### **Building & Land Use Permit issued for habitable structures**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office)
- Assessing (visit, take picture, identify % of completion on 4/1, if split, tax mapping)
- Appraisal (visit, measure structure, prepare property card)
- Update computer database for assessment information
- Code Enforcement Permit Issuance (provide application, process application, issue permits, provide guidance to property owner, process payment and computer database entry)
- Code Enforcement Inspection (visit site for setback and final inspections, plumbing internal and external inspections, issue local certificate of occupancy)

#### **Building & Land Use Permit issued for non habitable structures**

- Assessing (visit, measure, enter onto property card)
- Appraisal (possible visit, computation time)
- Computer database update
- Code Enforcement Permit Issuance (provide application, process application, issue permits, provide guidance to property owner, process payment and computer database entry)
- Possible Code Enforcement Inspection for setback, generally on complaints only.

#### **Building & Land Use Permits – Commercial/Industrial/Multi-Family for habitable structures**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office)

- Assessing (visit, take picture, identify % of completion on 4/1, if split, tax mapping, capture personal property values)
- Appraisal (visit, measure structure, prepare property card)
- Update computer database for assessment information
- Code Enforcement Permit Issuance(provide application, process application, provide guidance to property owner, process payment and computer database entry)
- Planning Board Process (determine completeness, set hearing, possible site visit, meet to decide whether to issue or not, potential appeals board activity)
- Fire Department Review
- Code Enforcement Inspection (visit site for setback and final inspections, plumbing internal and external inspections, issue local certificate of occupancy)

### **Building & Land Use Permits - Commercial/Industrial/Multi Family for non-habitable structures**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office)
- Assessing (visit, take picture, identify % of completion on 4/1, if split, tax mapping, capture personal property values)
- Appraisal (visit, measure structure, prepare property card)
- Update computer database for assessment information
- Code Enforcement Permit Issuance(provide application, process application, provide guidance to property owner, process payment and computer database entry)
- Planning Board Process (determine completeness, set hearing, possible site visit, meet to decide whether to issue or not, potential appeals board activity)
- Fire Department Review
- Code Enforcement Inspection (visit site for setback and final inspections)

### **Building & Land Use – accessory structures less than 100 square feet**

- Assessing (capture data during quarter review process, update tax cards)
- Update computer database for assessment information
- Potential Code Enforcement Issues for setback or other violations.

### **Building & Land Use – Subdivisions & Cluster Housing**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office, purchase & install street name sign(s), map roads and assign names)
- Assessing (visit, take picture, identify % of completion on 4/1, tax mapping)
- Appraisal (set values, prepare property cards)
- Update computer database for assessment information
- Code Enforcement Permit Issuance(provide application, process application, provide guidance to property owner, process payment and computer database entry)

- Planning Board Process (determine completeness, set hearing, possible site visit, meet to decide whether to issue or not, potential appeals board activity)
- Fire Department Review
- Code Enforcement Inspection (visit site for setback and final inspections)
- File Maintenance at town office

### **Campground, RV Park, Travel Trailer Park**

***The changes approved at the town meeting create a conflict in the ordinance. The section 6-A which has the language where the Selectmen set the fees conflicts with later sections 9 and 12-D. This should be addressed at a subsequent town meeting.***

- Planning Board Process (meeting time, posting notices, advertising in newspapers, site visit)
- Code Enforcement Review of initial plans for completeness, assist property owner with application process.
- Assessing & Appraisal similar to Building & Land Use Ordinance Costs
- Addressing Costs, especially if there are multiple roads within the area.

### **Gravel**

- Code Enforcement Officer/Staff make initial completeness review, file annual removal reports (if any), possible accounting for restoration funds if so ordered.
- Planning Board, completeness review, site visit, possible hearing, and final decision.
- Staff – filing permit applications, preparing final permit documents
- Assessing – updating permit / pit owner schedules
- Deputy CEO conducts annual pit inspections

### **Mobile Home Park**

- Planning Board conducts completeness review, public hearing, final decision, possible site visit
- Assessors & Appraisers create and update property cards, track homes placed on lots annually, update tax map
- Addressing – Street names must be assigned, signs installed, addressing for each lot, notice to post office, state
- Code Enforcement – Initial application review, meet with developer, issue final permit and permits as needed for mobile homes
- Plumbing Inspector – inspects common system, hookups
- Staff – file plans in town office, make public hearing ads, notifications mailed to abutters

### **Shoreland Zoning with habitable structure**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office)
- Assessing (visit, take picture, identify % of completion on 4/1, if split, tax mapping)
- Appraisal (visit, measure structure, prepare property card)
- Update computer database for assessment information
- Code Enforcement Permit Issuance(provide application, process application, issue permits, provide guidance to property owner, process payment and computer database entry, review SZO compliance)
- Code Enforcement Inspection (visit site for setback and final inspections, plumbing internal and external inspections, issue local certificate of occupancy)

#### **Shoreland Zoning with non-habitable structure**

- Assessing (visit, measure, enter onto property card)
- Appraisal (possible visit, computation time)
- Computer database update
- Code Enforcement Permit Issuance(provide application, process application, issue permits, provide guidance to property owner, process payment and computer database entry, check for SZO compliance)
- Code Enforcement Inspection for setback, generally on complaints only.

#### **Shoreland Zoning – Commercial/Industrial/Multi-Family for habitable structures**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office)
- Assessing (visit, take picture, identify % of completion on 4/1, if split, tax mapping, capture personal property values)
- Appraisal (visit, measure structure, prepare property card)
- Update computer database for assessment information
- Code Enforcement Permit Issuance(provide application, process application, provide guidance to property owner, process payment and computer database entry)
- Planning Board Process (determine completeness, set hearing, possible site visit, meet to decide whether to issue or not, potential appeals board activity)
- Fire Department Review
- Code Enforcement Inspection (visit site for setback and final inspections, plumbing internal and external inspections, issue local certificate of occupancy)

#### **Shoreland Zoning - Commercial/Industrial/Multi Family for non-habitable structures**

- Addressing (measuring, travel to & from location, compose and send notifications to homeowner & post office)
- Assessing (visit, take picture, identify % of completion on 4/1, if split, tax mapping, capture personal property values)
- Appraisal (visit, measure structure, prepare property card)

- Update computer database for assessment information
- Code Enforcement Permit Issuance (provide application, process application, check for SZO compliance, provide guidance to property owner, process payment and computer database entry)
- Planning Board Process (determine completeness, set hearing, possible site visit, meet to decide whether to issue or not, potential appeals board activity)
- Fire Department Review
- Code Enforcement Inspection (visit site for setback and final inspections)

#### **Shoreland Zoning – accessory structures less than 100 square feet**

- Assessing, updates tax cards
- Code Enforcement Officer reviews and issues permits, checks for compliance with SZO
- Update computer database for assessment information
- Potential Code Enforcement Issues for setback or other violations.

#### **Site Plan Review**

- Addressing determine street names if any, provide street name signage, measure for addresses, prepares changes for post office, state, notify developer of names and addresses
- Assessing visits property to determine status as of 4/1, takes picture, assigns to appraiser, captures personal property information, updates computer database
- Appraisal visits property, takes measurements, determines assessed value, communicates value to assessors
- Code Enforcement reviews initial application(s) for completeness, meets with developer, forwards to staff for inclusion on planning board agenda
- Administration distributes materials to Planning Board, assists PB with tracking information, mails notification, bills developer for notification, prepares public hearing ads
- Planning Board determines pre-application completeness, application completeness, schedules public hearing, holds public hearing, makes final decision, possible site visit
- Code Enforcement Inspection – may require several meetings with developer, issue local compliance certificate

### Recent Permit Activity

Year	BLUO Habitable	BLUO Non Habitable	Commercial/ Home Occ	SZO	Gravel	Site Plan	Subdivision	Mobile Home/Camp	Fees Generated*
2010	12	39	2	8	7	1	2	0	\$9,347.32
2009	13	40	5	10	7	0	2	0	\$8,887.08
2008	15	40	6	10	10	1	4	0	\$15,575.60
2007	20	27	9	9	7	2	3	0	\$28,842.14
2006	16	57	12	12	7	0	2	0	\$20,121.18
Total	76	203	34	49	38	4	13	0	\$82,773.32
Avg	15.2	40.6	6.8	9.8	7.6	0.8	2.6	0	\$16,554.66

Please note this activity is taken from the town reports for those years and is not a careful analysis of the activities that took place at each Planning Board meeting and each Code Enforcement Permit issued.

### Conclusions & Suggestions

If the goal is to have permit fees cover the entire cost to the town of regulated activity, obviously there is a severe disparity. The estimated annual cost above (\$50,947.66) exceeds the revenue attributed to code enforcement permitting activity by more than 300%.

However, if you take the annual increase in valuation which directly results from regulated activities and multiply it by the property tax rate for the year, the following results:

Local Valuation Increase Impact				
	Total Value	increase	Tax Rate	Tax Generated
2010	\$251,930,200	\$4,896,150	9.6	\$ 47,003.04
2009	\$247,034,050	\$5,715,650	9.7	\$ 55,441.81
2008	\$241,318,400	\$3,926,500	9	\$ 35,338.50
2007	\$237,391,900	\$3,667,800	7	\$ 25,674.60
2006	\$233,724,100	\$6,038,000	7	\$ 42,266.00
2005	\$227,686,100		7.3	
Total				\$ 205,723.95
Avg				\$ 41,144.79



Adding the average property tax revenue attributed to increased valuation to the average CEO revenue, the total is \$57,699.45, which slightly exceeds the costs attributed to permitted activity. Whether this is a fair calculation to make is a question for others to interpret as the new valuation tax must also contribute to the rest of the municipal, county, and school budget.

### **Some Suggestions**

1. Residential Building Permits – change the \$0.10/sq. ft. of ground coverage to \$0.02/cubic foot. Currently a 24' x 24' 10-foot tall habitable structure would generate a building permit fee of \$57.60. If the cubic foot measurement were taken into account, that same permit would generate \$115.20. The same house at 20-feet tall would generate \$230.40 for a building permit.
2. Non-habitable Building Permits – change from \$0.05/sq. ft. of ground coverage to \$0.01/cubic foot. That same building above (10') would generate a permit fee of \$57.60 instead of the current \$28.80. A 20-foot tall garage would generate \$115.20. A 12x9x7 shed would generate \$7.56 instead of \$5.40.
3. Commercial/Industrial/Multi Structures – change from \$0.20/sq. ft. to \$0.03/cubic foot. Currently a 100x100 commercial building generates a permit fee of \$2,000 no matter how tall it is. If it were a 20-foot tall structure, at \$0.03/cu ft it would generate a permit fee of \$6,000. This does not include the site plan fees.
4. Automobile Graveyards – base the permit fee on a base of \$60 plus the number of relatively intact vehicles stored in the yard as of a certain date (say 9/1). The fee could be a \$1/vehicle, so a yard with 30 cars would generate a \$90 permit. We have been charging the advertising fee as well, and that could be added to the fee structure.
5. Campgrounds – since we have generated no income ever from this ordinance, keep it the same at this point.
6. Gravel Permits – There is a lot of redundancy with state permitting on this, and thinking out loud that the goal for gravel pit regulation is to encourage reclamation, base the fee on permitted acreage with a credit for the amount of acreage reclaimed in the last permit cycle. Let's say the fee charged per acre was \$100. A 5-acre pit would be \$500 instead of \$200. If the credit was \$100/acre reclaimed, and the permit holder had reclaimed 1-acre over the previous 3-years, the fee would be \$400.
7. Subdivisions & Mobile Home Parks – Base application fee increases to \$200.00, plus \$100 per lot created and \$100 per street created. Currently a 10-lot subdivision would pay \$550. Under this plan a 10-lot subdivision with one road would pay \$1,300.00.
8. Shoreland Zoning – recommend keeping the fees based on ground coverage since the impact is land based. The increase in the building permit fees take care of that impact. The cubic foot fee should be charged for all accessory structures regardless of size within the Shoreland zone.
9. Site Plan Review – again, where this has to do with the amount of land affected, the surficial alteration pricing would seem to be adequate.